

**MINUTES OF THE  
JOINT PUBLIC EDUCATION APPROPRIATIONS SUBCOMMITTEE  
THURSDAY, FEBRUARY 7, 2008, 2:00 P.M.  
Capitol Room 445, State Capitol Complex**

Members Present: Sen. Howard A. Stephenson, Co-Chair  
Rep. Bradley G. Last, Co-Chair  
Sen. Lyle W. Hillyard  
Sen. Patricia W. Jones  
Sen. Kevin T. Van Tassell  
Rep. Tim M. Cosgrove  
Rep. Brad L. Dee  
Rep. Lorie D. Fowlke  
Rep. Gage Froerer  
Rep. Gregory H. Hughes  
Rep. Ronda Rudd Menlove  
Rep. Karen W. Morgan  
Rep. Phil Riesen  
Rep. Aaron Tilton  
Rep. Carl Wimmer

Staff Present: Ben Leishman, Legislative Fiscal Analyst  
Patrick Lee, Legislative Fiscal Analyst  
Cherie Schmidt, Secretary

Public Speakers Present: Margaret Bird, Trust Land Specialist, USOE

A list of visitors and a copy of handouts are filed with the committee minutes.

Committee Co-Chair Last called the meeting to order at 2:42 p.m.

**1. Unfinished Business from February 6, 2008 -**

**MOTION:** Rep. Menlove moved to approve the minutes from the following meetings:

January 16, 2008  
January 23, 2008  
January 24, 2008  
January 28, 2008  
January 30, 2008  
January 31, 2008

The motion passed unanimously with Sen. Hillyard, Sen. Van Tassell, Rep. Fowlke, and Rep. Wimmer absent for the vote.

2. **Land Exchange Distribution Account** - Ben Leishman, Legislative Fiscal Analyst, referred to the Issue Brief - Land Exchange Distribution Account. Mr. Leishman indicated that last year ( 2007 General Session.) H.B. 134 School and Institutional Trust Lands Amendment created the Land Exchange Distribution Account. The account was created to collect the state's portion of Mineral Lease Funds on former federal lands now school trust lands and distribute them to the various entities in amounts determined by statutory formula. The State Board of Education receives 1.68 percent of all deposits made to the General Fund restricted account "Land Exchange Distribution Account." Total collections to the restricted account in FY 2008 are estimated at \$23,450,000. In addition, fiscal year 2008 revenues targeted for the State Board of Education were not appropriated during the 2007 General Session. The Analyst recommends appropriating a supplemental \$394,000 in FY 2008 and a FY 2009 building block of \$302,000 to provide the estimated restricted fund revenue designated for the State Board of Education.

3. **Committee Action - Base Budget** - Mr. Leishman also discussed Base Budgets. He referred to a handout entitled, *Public Appropriations Subcommittee Budget Motions*. Motion 1 moves approval of the federal funds identified in the Issue Brief entitled, "Federal Funds" and recommends that the state agencies identified in the Issue Brief accept the federal funds and/or participate in the federal programs. Further, it moves that the Subcommittee submit this list of these recommended federal funds to the Executive Appropriations Committee.

Motion 2 moves to adopt an additional \$5,825,000 in estimated interest and dividends revenue to the Uniform School Fund Restricted - Interest and Dividends account for a total of \$26,825,000 for use in the School LAND Trust Program.

Motion 3 moves to adopt the Analyst's recommendations found in the Issue Brief "USOE Indirect Cost Pool." This motion includes approval of 46 total Indirect Cost Pool Full Time Equivalent (FTE) positions and the following rate structure:

11 percent of personal services supported by restricted funds  
15 percent of personal services supported by unrestricted funds.

Motion 4 moves approval of the FY 2009 fee schedule found in the Budget Brief entitled "Educator Licensing."

Motion 5 moves to approve the Analyst's recommendation found in the Issue Brief entitled, "Land Exchange Distribution Account."

**MOTION:** Co-Chair Stephenson moved to approve the five motions listed above.

**SUBSTITUTE MOTION:** Rep. Wimmer moved to divide Motion 1 from Co-Chair Stephenson's motion.

Those voting in favor of the motion were Co-Chair Stephenson, Sen. Jones, Rep. Cosgrove, Rep. Dee, Rep. Froerer, Rep. Hughes, Rep. Menlove, Rep. Morgan, Rep. Riesen, Rep. Tilton, and Rep. Wimmer. Those voting against the motion was Co-Chair Last. Sen. Hillyard, Sen. Van Tassell, and Rep. Fowlke were absent for the vote.

**MOTION:** Co-Chair Last moved to approve Motions 1-4.

The motion passed unanimously with Sen. Hillyard, Sen. Van Tassell, and Rep. Fowlke absent for the vote.

Co-Chair Stephenson suggested that a discussion of the impact of federal funds on education and what costs of compliance are to receive that money should be placed on the agenda for the Interim Meeting in the summer.

**MOTION:** Co-Chair Last moved to approve Motion 1 Federal Funds.

The motion passed unanimously with Rep. Wimmer voting against the motion. Sen. Van Tassell and Rep. Fowlke were absent for the vote.

**MOTION:** Co-Chair Stephenson moved to place on the discussion agenda for the Interim Meeting this summer a review of federal funds both benefits and costs.

The motion passed unanimously with Sen. Van Tassell and Rep. Fowlke absent for the vote.

4. **New Funding Prioritization** - A preliminary priority list was given to the Subcommittee members. Discussion from the members centered around an explanation of this list.
5. **Approval of Priority List** - Co-Chair Stephenson and Sen. Hillyard both suggested that the Priority List be discussed and approved at a meeting to be held after the Executive Appropriations Committee meets.

**MOTION:** Rep. Tilton moved to adopt the Preliminary List at a later meeting.

This motion was withdrawn.

At this point in the meeting, Co-Chair Last began a discussion of the issue with the Trust Lands. Margaret Bird, Trust Land Specialist, USOE, explained the handout entitled, *Proposed Language for Administration of the School LAND TRUST Program and School Trust Lands Section*, which is a proposal to provide stable funding for the things that are being done with the trust. Current revenue to run the School Land Trust Program is as follows:

\$200,000 One-Time appropriation for FY 2008 from interest and dividends on State School Fund

\$150,000 Unused Mineral Lease Account money from USOE's prior fiscal year

\$83,600 Ongoing Legislative appropriation to administer the School LAND Trust Program

Total = \$433,600

Language also indicates that "Upon appropriation by the Legislature, monies from the Interest and Dividends Account shall be used for the School LAND Trust Program as provided in Section 53A-16-101.5 of which 2.5 percent of the total annual distribution, not to exceed \$650,000, shall be used for the administration of the program and beneficiary oversight of the common school trust."

**MOTION:** Rep. Morgan moved to adopt the language contained in the above mentioned handout regarding the 2.5 percent and strike the \$83,600 ongoing appropriation.

**SUBSTITUTE MOTION:** Co-Chair Stephenson moved to get more feedback on this proposal and explore other alternatives and then come back in the next meeting and have a motion either for a modification of this proposal or adoption of the proposal.

Sen. Jones and Sen. Van Tassell gave their support of the substitute motion. Co-Chair Last stated that this is a policy decision about whether the money is taken out of the interest and dividends or whether an appropriation is made to the State Office to manage the program.

**AMENDED SUBSTITUTE MOTION:** Co-Chair Stephenson restated the Substitute Motion by adding that this issue should be number one on the agenda for the next meeting.

The motion passed. Those voting in favor of the motion were Co-Chair Stephenson, Sen. Hillyard, Co-Chair Last, Rep. Froerer, Rep. Hughes, and Rep. Wimmer. Those voting

against the motion were Sen. Jones, Rep. Cosgrove, Rep. Fowlke, Rep. Morgan, and Rep. Riesen. Absent at the time of voting were Rep. Dee, Rep. Menlove, and Rep. Tilton.

6. **Other Committee Business** - A handout entitled, *Class Size Reduction Standards*, was given to the Subcommittee members from Co-Chair Stephenson. This language implements standards and accountability for class size reduction funds (ongoing base and new appropriations) received by school districts and charter schools. The handout details establishing class size benchmarks.

Co-Chair Stephenson also referred to a handout entitled, *Technology Assisted Instruction in Public Education*. He indicated that if the \$50 million or smaller amount is appropriated and passed, the language contained in this handout would be put in place for a portion of the money to go to software to assist with teaching the core curriculum. This is also to ensure that software licenses are purchased, and that the State School Board in determining who will receive the grants for software licenses would base those awards on the degree to which the school district or charter school has adequate computer hardware, has technical support, has teachers trained in the use of the software, involves digital tracking and student progress through a digital information system, and a commitment to optimal student use of the software.

Co-Chair Stephenson presented the Critical Languages Program. He indicated that if this program is ultimately prioritized and funded, language would be placed in the appropriation bill to ensure that the critical languages programs are implemented in the way that has been discussed throughout the Subcommittee meetings.

7. **Adjourn** -

**MOTION:** Sen. Van Tassell moved to adjourn.

Co-Chair Last adjourned the meeting at 4:08 p.m.

Minutes were reported by Cherie Schmidt, Secretary

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Sen. Howard Stephenson, Co-Chair

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Rep. Bradley G. Last, Co-Chair